

BEFORE THE DIVISION OF INSURANCE

STATE OF COLORADO

AGENCY ORDER O-10-012

IN THE MATTER OF THE MARKET CONDUCT EXAMINATION OF PACIFICARE LIFE ASSURANCE COMPANY

Respondent

THIS MATTER comes before the Colorado Commissioner of Insurance (the "Commissioner") as a result of a market conduct examination conducted by the Colorado Division of Insurance (the "Division") of Pacificare Life Assurance Company. (the "Respondent"), pursuant to §§ 10-1-201 to 207, C.R.S. The Commissioner has considered and reviewed the draft market conduct examination report dated April 29, 2009 (the "Report"), relevant examiners' work papers, and the recommendations of staff. The Commissioner finds and orders as follows:

FINDINGS OF FACT

1. At all relevant times, the Respondent was licensed by the Division as a Life, Accident & Health Company.
2. In accordance with §§ 10-1-201 to 207, C.R.S., on April 29, 2009, the Division completed a market conduct examination of the Respondent. The period of examination was January 1, 2007 to December 31, 2007.
3. In scheduling the market conduct examination and in determining its nature and scope, the Commissioner considered such matters as complaint analyses, underwriting and claims practices, pricing, product solicitation, policy form compliance, market share analyses, and other criteria as set forth in the most recent available edition of the Market Regulation Handbook adopted by the National Association of Insurance Commissioners, as required by § 10-1-203(1), C.R.S.
4. In conducting the examination, the examiners utilized guidelines and procedures set forth in the most recent available edition of the Market Regulation Handbook adopted by the National Association of Insurance Commissioners and the Colorado insurance examiners' handbook. The Commissioner also employed other guidelines and procedures that she deemed appropriate, pursuant to § 10-1-204(1), C.R.S.

5. The market conduct examiners prepared a Report. The Report contains the conclusions and recommendations that the examiners find reasonably warranted based upon the facts.
6. The Commissioner has fully considered and reviewed the Report and all relevant portions of the examiners' work papers.

CONCLUSIONS OF LAW AND ORDER

7. Based on the review of all available information, the Commissioner has determined that several areas of the examination appear to be incomplete, and some of the findings are unclear or are not adequately documented as to the alleged violation of Colorado law. Therefore, as provided in § 10-1-205(3)(b), C.R.S., the Commissioner has determined that the Report should be rejected, and the examiners should reopen the examination for purposes of obtaining additional data, documentation, or information on a date to be determined. The examiners should refile the Report after the additional examination work has been completed.

WHEREFORE: It is hereby ordered that the findings and conclusions contained in the Report dated April 29, 2009, are hereby rejected, and the examiners are directed to reopen the examination for the purposes of obtaining additional data, documentation, or information when the Commissioner so directs, and to refile the Report after the examination has been completed. This Order is made an official record of this office, and is hereby approved this 20th day of July, 2009.


Marcy Morrison
Commissioner of Insurance

CERTIFICATE OF MAILING

I hereby certify that on the 20th day of July, 2009, I caused to be deposited the **AGENCY ORDER NO. O-10-012 IN THE MATTER OF THE MARKET CONDUCT EXAMINATION OF PACIFICARE LIFE ASSURANCE COMPANY**, in the United States Mail via certified mailing with postage affixed and addressed to:

Ms. Elizabeth Soberg
Pacificare Life Assurance Company
6465 S. Greenwood Plaza Blvd, #3000
Centennial, CO 80111



Eleanor Patterson
Market Regulation Administrator
Division of Insurance